



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TEXAS 75202-2733

May 11, 2012

CERTIFIED MAIL – RETURN RECEIPT REQUESTED: 7010 2780 0002 4357 7368

Mr. Clark White  
Vice President  
Targa Midstream Services, LLC  
383 County Road 1745  
Chico, TX 76431

Re: Notice of Proposed Assessment of Class I Civil Penalty  
Docket Number: CWA-06-2012-1705  
NPDES Permit Number: TX0000612

Dear Mr. White:

Enclosed is an Administrative Complaint (Complaint) issued to Targa Midstream Services, LLC, for violation of Section 301(a) of the Clean Water Act, 33 U.S.C. § 1251–1387. Violations were identified through our review of the Discharge Monitoring Reports submitted to the Environmental Protection Agency (EPA) by your Chico Gas Plant. The violations alleged are for failure to comply with the effluent limitations for Biochemical Oxygen Demand, pH and Whole Effluent Toxicity, as required by your National Pollutant Discharge Elimination System (NPDES) permit.

You, as the representative of Targa Midstream, LLC, have the right to request a hearing regarding the violations alleged in the Complaint and the proposed administrative civil penalty. Please refer to the enclosed Part 22, "Consolidated Rules of Practice," for information regarding hearing and settlement procedures. Note that should you fail to request a hearing within thirty (30) days of your receipt of the Complaint, you will waive your right to such a hearing, and the proposed civil penalty of \$37,500.00 may be assessed against you without further proceedings.

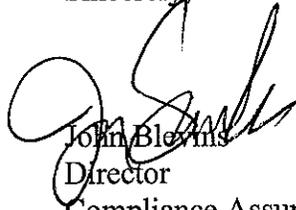
Whether or not you request a hearing, we invite you to confer informally with the EPA. You may represent Targa Midstream Services, LLC, or be represented by an attorney at any conference, whether in person or by telephone. The EPA encourages all parties against whom it files a Complaint proposing assessment of a penalty to pursue the possibility of settlement as the result of an informal conference.

Re: Administrative Complaint  
Targa Midstream Services, LLC

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The EPA is committed to ensuring compliance with the requirements of the NPDES program, and my staff will assist you in any way possible. If you have any questions, or wish to discuss the possibility of a settlement of this matter, please contact Mr. Robert Houston, of my staff, at (214) 665-8565.

Sincerely



John Blewins  
Director  
Compliance Assurance and  
Enforcement Division

Enclosure

cc: w/complaint-Regional Hearing Clerk

Mr. Rene R. Joyce  
Executive Chairman of the Board  
Targa Resources  
1000 Louisiana, Suite 4300  
Houston, TX 77002

Mr. Jimmy Oxford  
Operations  
Targa Midstream Services-Chico Gas Plant  
383 County Road 1745  
Chico, TX 76431

Ms. Susan Johnson, Manager  
Enforcement Section I (MC169)  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087

Program Manager  
Environmental Services  
Railroad Commission of Texas  
1701 North Congress Avenue  
P.O. Box 12967  
Austin, TX 78701-2967



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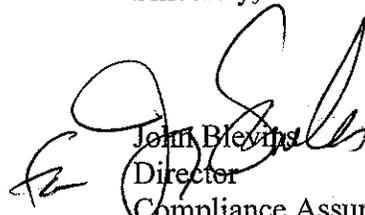
Re: Notice of Proposed Administrative Penalty Assessment  
Docket Number: CWA-06-2012-1705  
NPDES Permit Number: TX0000612

Dear Ms. Johnson:

Enclosed is a copy of the Administrative Complaint (Complaint) which the Environmental Protection Agency (EPA) is issuing to Targa Midstream Services, LLC (Respondent), pursuant to Section 309(g) of the Clean Water Act (CWA), 33 U.S.C. § 1319(g). EPA is issuing the Complaint to administratively assess a Class I civil penalty of \$37,500.00 against the Respondent for violation of the CWA. Because the violation has occurred in the State of Texas, I am offering you an opportunity to confer with us regarding the proposed penalty assessment.

You may request a conference within two weeks of receipt of this letter. The conference may be in person or by telephone and may cover any matters relevant to the proposed penalty assessment. If you wish to request a conference or if you have any comments or questions regarding the matter, please contact Mr. Robert Houston, of my staff, at (214) 665-8565.

Sincerely,

  
John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

Enclosure

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION 6

In the Matter of	§ Docket No. CWA-06-2012-1705
	§
Targa Midstream Services, LLC, a Delaware corporation,	§ Proceeding to Assess a Class I § Civil Penalty under Section 309(g) § of the Clean Water Act
Respondent	§
	§
NPDES Permit No. TX0000612	§ ADMINISTRATIVE COMPLAINT

I. Statutory Authority

This Complaint is issued under the authority vested in the Administrator of the United States Environmental Protection Agency (“EPA”) by Section 309(g) of the Clean Water Act (“Act”), 33 U.S.C. § 1319(g). The Administrator of EPA delegated the authority to issue this Complaint to the Regional Administrator of EPA Region 6, who further delegated this authority to the Director of the Compliance Assurance and Enforcement Division of EPA Region 6 (“Complainant”). This Class I Administrative Complaint is issued in accordance with, and this action will be conducted under, the “Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits,” 40 C.F.R. §§ 22.1–22.52, including rules related to administrative proceedings not governed by Section 554 of the Administrative Procedures Act, 40 C.F.R. §§ 22.50–22.52.

Based on the following Findings, Complainant finds that Targa Midstream Services, LLC (“Respondent”) violated the Act and the regulations promulgated under the Act and should be ordered to pay a civil penalty.

## II. Findings of Fact and Conclusions of Law

1. Respondent is a company incorporated under the laws of the State of Delaware, and as such, Respondent is a “person” as that term is defined at Section 502(5) of the Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.

2. At all times relevant to this action (“all relevant times”), Respondent owned or operated the Chico Gas Plant, an oil and gas facility, located at 383 County Road 1745, in Wise County, Texas (“facility”), and was, therefore, an “owner or operator” within the meaning of 40 C.F.R. § 122.2.

3. At all relevant times, the facility was a “point source” of a “discharge” of “pollutants” with its industrial wastewater to the receiving waters of Big Creek, thence to Lake Bridgeport in Segment No. 0811 of the Trinity Basin, which is considered a “water of the United States” within the meaning of Section 502 of the Act, 33 U.S.C. § 1362, and 40 C.F.R. § 122.2.

4. Because Respondent owned or operated a facility that acted as a point source of discharges of pollutants to waters of the United States, Respondent and the facility were subject to the Act and the National Pollutant Discharge Elimination System (“NPDES”) program.

5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, an NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342.

6. Section 402(a) of the Act, 33 U.S.C. § 1342(a), provides that the Administrator of EPA may issue permits under the NPDES program for the discharge of pollutants from point sources to waters of the United States. Any such discharge is subject to the specific terms and conditions prescribed in the applicable permit.

7. Respondent applied for and was issued NPDES Permit No. TX0000612 (“permit”) under Section 402 of the Act, 33 U.S.C. § 1342, which became effective on January 1, 2010. At all relevant times, Respondent was authorized to discharge pollutants from the facility to waters of the United States only in compliance with the specific terms and conditions of the permit.

8. Parts III.C and III.D of the permit require Respondent to sample and test its effluent and monitor its compliance with permit conditions according to specific procedures, in order to determine the facility’s compliance or non-compliance with the permit and applicable regulations. They also require Respondent to file with EPA certified Discharge Monitoring Reports (“DMRs”) of the results of monitoring, and Non-Compliance Reports when appropriate.

9. Part I.A of the permit places certain limitations on the quality and quantity of effluent discharged by Respondent. The relevant discharge limitations are specified in Attachment A.

10. Certified DMRs filed by Respondent with EPA in compliance with the permit show discharges of pollutants from the facility that exceed the permitted effluent limitations established in Part I.A of the permit, as specified in Attachment B.

11. On February 6, 2012, a file review was conducted by representatives of the EPA. The review findings are specified below:

- a) Pursuant to Part I.A of the permit, Respondent is authorized to discharge from Outfall number 001 to Big Creek, thence to Lake Bridgeport in Segment No. 0811 of the Trinity River Basin. Such discharges shall be limited and monitored by Respondent as specified in Attachment A. Part I.A of the permit was violated in that Respondent exceeded the effluent limitations for Biochemical Oxygen Demand and pH, as described in Attachment B; and
- b) pursuant to Part II.F of the permit, Respondent shall test the effluent for Whole Effluent Toxicity ("WET") in accordance with the provisions in II.F. Part II.F of the permit was violated in that Respondent failed the WET tests from 2007 through 2011. The failed tests are outlined in Attachment C.

12. Each violation of the conditions of the permit or regulations described above is a violation of Section 301 of the Act, 33 U.S.C. § 1311.

13. Under Section 309(g)(2)(A) of the Act, 33 U.S.C. § 1319(g)(2)(A), Respondent is liable for a civil penalty in an amount not to exceed \$16,000 per day for each day during which a violation continues, up to a maximum of \$37,500.

14. EPA has notified the State of Texas of the issuance of this Complaint and has afforded the State of Texas an opportunity to consult with EPA regarding the assessment of an administrative penalty against Respondent as required by Section 309(g)(1) of the Act, 33 U.S.C. § 1319(g)(1).

15. EPA has notified the public of the filing of this Complaint and has afforded the public thirty (30) days in which to comment on the Complaint and on the proposed penalty as required by Section 309(g)(4)(A) of the Act, 33 U.S.C. § 1319(g)(4)(A). At the expiration of the notice period, EPA will consider any comments filed by the public.

### III. Proposed Penalty

16. Based on the foregoing Findings, and pursuant to the authority of Sections 309(g)(1) and 309(g)(2)(A) of the Act, 33 U.S.C. §§ 1319(g)(1), (g)(2)(A), EPA Region 6 hereby proposes to assess against Respondent a civil penalty of thirty-seven thousand five hundred dollars (\$37,500.00).

17. The proposed penalty amount will be determined based on the statutory factors specified in Section 309(g)(3) of the Act, 33 U.S.C. § 1319(g)(3), which includes such factors as the nature, circumstances, extent and gravity of the violation(s), economic benefits, if any, prior history of such violations, if any, degree of culpability, and such matters as justice may require.

18. Complainant has specified that the administrative procedures specified in 40 C.F.R. Part 22, Subpart I, shall apply to this case, and the administrative proceedings shall not be governed by Section 554 of the Administrative Procedures Act.

### IV. Failure to File an Answer

19. If Respondent wishes to deny or explain any material allegation listed in the above Findings or to contest the amount of the penalty proposed, Respondent must file an Answer to this Complaint within thirty (30) days after service of this Complaint whether or not Respondent requests a hearing as discussed below.

20. The requirements for such an Answer are set forth at 40 C.F.R. § 22.15 (copy enclosed). Failure to file an Answer to this Complaint within thirty (30) days of service of the Complaint shall constitute an admission of all facts alleged in the Complaint and a waiver of

the right to hearing. Failure to deny or contest any individual material allegation contained in the Complaint will constitute an admission as to that finding or conclusion under 40 C.F.R.

§ 22.15(d).

21. If Respondent does not file an Answer to this Complaint within thirty (30) days after service of this Complaint, a Default Order may be issued against Respondent pursuant to 40 C.F.R. § 22.17. A Default Order, if issued, would constitute a finding of liability, and could make the full amount of the penalty proposed in this Complaint due and payable by Respondent without further proceedings thirty (30) days after a Final Default Order is issued.

22. Respondent must send its Answer to this Complaint, including any request for hearing, and all other pleadings to:

Regional Hearing Clerk (6RC-D)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

Respondent shall also send a copy of its Answer to this Complaint to the following EPA attorney assigned to this case:

Mr. Tucker Henson (6RC-EW)  
Water Legal Branch  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

23. The Answer must be signed by Respondent, Respondent's counsel, or other representative on behalf of Respondent and must contain all information required by 40 C.F.R.

§§ 22.05 and 22.15, including the name, address, and telephone number of Respondent and Respondent's counsel. All other pleadings must be similarly signed and filed.

#### V. Notice of Opportunity to Request a Hearing

24. Respondent may request a hearing to contest any material allegation contained in this Complaint, or to contest the appropriateness of the amount of the proposed penalty, pursuant to Section 309(g) of the Act, 33 U.S.C. § 1319(g). The procedures for hearings are set out at 40 C.F.R. Part 22, with supplemental rules at 40 C.F.R. § 22.38.

25. Any request for hearing should be included in Respondent's Answer to this Complaint; however, as discussed above, Respondent must file an Answer meeting the requirements of 40 C.F.R. § 22.15 in order to preserve the right to a hearing or to pursue other relief.

26. Should a hearing be requested, members of the public who commented on the issuance of the Complaint during the public comment period will have a right to be heard and to present evidence at such hearing under Section 309(g)(4)(B) of the Act, 33 U.S.C. § 1319(g)(4)(B).

#### VI. Settlement

27. EPA encourages all parties against whom civil penalties are proposed to pursue the possibility of settlement through informal meetings with EPA. Regardless of whether a formal hearing is requested, Respondent may confer informally with EPA about the alleged violations or the amount of the proposed penalty. Respondent may wish to appear at any informal conference or formal hearing personally, by counsel or other representative, or both. To request an informal

conference on the matters described in this Complaint, please contact Mr. Robert Houston, of my staff, at (214) 665-8565.

28. If this action is settled without a formal hearing and issuance of an opinion by the Presiding Officer pursuant to 40 C.F.R. § 22.27, this action will be concluded by issuance of a Consent Agreement and Final Order ("CAFO") pursuant to 40 C.F.R. § 22.18(b). The issuance of a CAFO would waive Respondent's right to a hearing on any matter stipulated therein or alleged in the Complaint. Any person who commented on this Complaint would be notified and given an additional thirty (30) days to petition EPA to set aside any such CAFO and to hold a hearing on the issues raised in the Complaint. Such a petition would be granted and a hearing held only if the evidence presented by the petitioner's comment was material and was not considered by EPA in the issuance of the CAFO.

29. Neither assessment nor payment of a penalty in resolution of this action will affect Respondent's continuing obligation to comply with all requirements of the Act, the applicable regulations and permits, and any separate Compliance Order issued under Section 309(a) of the Act, 33 U.S.C. § 1319(a), including one relating to the violations alleged herein.

MAY 11 2012

Date

  
\_\_\_\_\_  
John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

CERTIFICATE OF SERVICE

I certify that the foregoing Class I Administrative Complaint was sent to the following persons, in the manner specified, on the date below:

Original hand-delivered: Regional Hearing Clerk (6RC-D)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

Copy by certified mail,  
return receipt requested: Mr. Clark White, Vice President  
Targa Midstream Services, LLC-Chico Gas Plant  
P.O. Box 68  
Chico, TX 76431

Ms. Susan Johnson, Manager  
Enforcement Section I (MC169)  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087

First class mail: Mr. Rene R. Joyce  
Executive Chairman of the Board  
Targa Resources  
1000 Louisiana, Suite 4300  
Houston, TX 77002

Mr. Jimmy Oxford, Operations  
Targa Midstream Services, LLC-Chico Gas Plant  
383 County Road 1745  
Chico, TX 76431

Program Manager  
Environmental Services  
Railroad Commission of Texas  
1701 North Congress Avenue  
P.O. Box 12967  
Austin, TX 78701-2967

Copy hand-delivered: Mr. Tucker Henson (6RC-EW)

Dated: \_\_\_\_\_